

# IRS News Release

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## Tax Filing Season Opens with Debut of 1040 Central

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WASHINGTON — Taxpayers pondering a question, taxpayers searching for a form or taxpayers looking for their refund now can go to just one place: 1040 Central at IRS.gov.

The Internal Revenue Service today kicked off a new tax year by alerting taxpayers that 1040 Central and other enhanced electronic services should make the agency's Web site an even easier-to-use source of information. Tens of millions of Americans begin receiving their tax packages for the 2004 tax season this week.

At IRS.gov, taxpayers will find information on 1040 Central about lower tax rates, larger child tax credits and the elimination of the "marriage penalty." There are new income limits for Earned Income Tax Credit recipients. Investors will find new rates on capital gains and dividends and a revised Schedule D. Taxpayers also should review the Advance Child Tax Credit information to avoid an error on their return that could slow their refund.

This week, 28 million veteran electronic tax filers will receive postcards and 34 million paper filers will receive the Form 1040 booklets as the 2004 filing season gets underway. The IRS expects to process 131 million individual tax returns this year, approximately the same as last year. This year, more than 53 million taxpayers will opt for the easier and faster IRS e-file, which also is the quickest route to a refund.

IRS Commissioner Mark W. Everson unveiled the new 1040 Central feature on IRS.gov that is designed specifically for the individual taxpayers and for the tax professionals helping them. The new page pulls together much of the step-by-step information taxpayers need to prepare and file a return – and check on refunds.

"At 1040 Central, taxpayers will find virtually everything they need for their 2003 tax return. The 1040 Central page can be a one stop location for help," Everson said. "The 1040 Central section reflects our effort to make IRS.gov the easiest, fastest and best option for taxpayers. You don't have to come to us; we are available to you electronically 24 hours a day, seven days a week."

At 1040 Central, individuals will find:

- What's New This Year, which highlights the latest tax law changes, tax tips, news releases and frequently asked questions;
- Get Ready to File, which provides links to information about the Earned Income Tax Credit, the 2003 Advance Child Tax Credit and commonly used forms and tax instructions;
- File Your Return, which provides links to IRS e-file and Free File, the free service provided by IRS partners in the tax software preparation industry;
- After You File, which includes the interactive Where's My Refund? that allows taxpayers to track the status of their refund;
- More Assistance, which helps taxpayers locate additional information sources.

The 1040 Central page also can help taxpayers avoid errors when it comes to the Advance Child Tax Credit that 20 million families received last year. The child tax credit increased to \$1,000 from \$600. Taxpayers must reduce their 2003 claimed credit by the amount of the advance payment check they received last year. The amount of the advance payment was shown on Notice 1319 mailed to eligible taxpayers last year, and taxpayers also can check the amount of their Advance Child Tax Credit at 1040 Central.

At 1040 Central, taxpayers also will find easy access to IRS e-file information, including lists of e-filing tax practitioners by zip code, and access to IRS Free File, the partnership with private-sector tax preparation software manufacturers. The IRS will provide additional information about Free File later this month. More than 2 million taxpayers used Free File's free services last year, its first year of operation.

Taxpayers who use IRS e-file have a higher satisfaction rating than those who still use paper returns, according to the American Customer Survey Index, which rates private and public sector service industries. Filing electronically remains the fastest, easiest route to a quick refund. When used with direct deposit, e-file means a refund in about two weeks or even less.

Millions of Americans have lower tax rates this year. For 2003, the tax law changes include:

- Expanded 10 percent and 15 percent income tax brackets.
- Lowered tax rates to 25 percent, 28 percent, 33 percent and 35 percent.
- Increased standard deduction to \$4,750 for single taxpayers, \$7,000 for head of household and \$9,500 for couples filing as married filing jointly.
- Increased Child Tax Credit to \$1,000 per qualified child from \$600.
- Tax relief for military families.
- The increase in the standard deduction for couples whose filing status is married filing jointly eliminates the so-called "marriage penalty." The changes in tax rates will automatically be reflected in the tax rate tables. The IRS also urges military

families to review tax law changes. Some changes will require military families to file amended returns to fully claim some retroactive tax relief.

More taxpayers may qualify for the Earned Income Tax Credit. The new limits for earned income or adjusted gross income are less than \$33,692 with more than one qualifying child, less than \$29,666 with one qualifying child and less than \$11,230 with no qualifying child. All EITC income limits are \$1,000 higher if taxpayers file as married filing jointly. However, taxpayers should carefully review EITC eligibility requirements to determine if they meet all the participation rules.

Taxpayers with investment income will have a new Schedule D to use as new rates take affect for capital gains. For gains after May 5, 2003, the 10 percent rate is reduced to 5 percent and the 20 percent rate is reduced to 15 percent. Dividends paid after December 31, 2002, will be taxed at the new capital gains rate.

And, the IRS reminds taxpayers that the tax filing season also brings out unscrupulous promoters touting various scams and schemes. Remember, if it sounds too good to be true, it probably is. Information on the latest scams and schemes is available at [IRS.gov](http://IRS.gov).